



**CANADIAN
PACIFIC
RAILWAY**

December 13, 2004

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Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

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Re: Response to Avalon Rail's November 3, 2004 Letter in Connection with the Petition for Exemption to Abandon Approximately 5.0+/- miles of Rail Line Between Milwaukee, Wisconsin and Wauwatosa, Wisconsin ("the West Allis Line" or "the Line"); STB Docket No.: AB-57 (Sub No. 55X)

Dear Mr. Williams:

Soo Line would like the opportunity to respond to Avalon Rail's letter to the Surface Transportation Board of November 3, 2004. Briefly, Soo Line discussed Avalon's concerns with June Garland, Avalon's President and Soo Line believes Avalon's concerns, related to its desire for continued use of 12 car lengths of Soo Line track, can be addressed. Additionally, as previously indicated, Avalon is located in an industrial park on a spur off of the West Allis Line, not directly on the Line proposed for abandonment. The spur connects to the CPR's West Allis Line at milepost 89.7 in the north and also connects to the Union Pacific rail line in the south. Since the West Allis Line was embargoed in July 2003, Avalon has received switch service via a combination of CPR and UP, using Avalon's connection to the UP line. Avalon continues to receive this service today.

The West Allis Line proposed for abandonment, which connects with CPR's main line in the west and with its Muskego Yard in the east, is redundant for through freight service. It has not been in service for overhead freight movements since October 2001 when it was taken out of service due to track conditions. Soo Line, therefore, continues to meet the requirements for granting its requested Petition for Exemption.

1. Avalon Rail's Continued Service from Union Pacific After Embargo of the Line

Prior to the West Allis Line being embargoed on July 17, 2003, the Line was already classified as FRA excepted track. Before the embargo, Soo Line moved Avalon's rail cars to and from the Milwaukee Amtrak Station to Avalon, all within the Milwaukee switching district. Subsequent to the embargo, since July 17, 2003, Avalon Rail has been jointly served by both Union Pacific and Soo Line under a pre-existing switching tariff agreement. Soo Line delivers the Avalon cars from the Milwaukee Amtrak Station to Union Pacific, which handles the cars in and out of the Avalon facility on the UP line.

2. 12 Car Lengths

Avalon stated in its recent November 3, 2004 letter to the STB that in order for it to receive adequate service from Union Pacific, "... there needs to be track extended at least 12 car lengths in order to ship multiple railcars/equipment in and out of this West Allis location." During a recent phone conversation between June Garland, Avalon's President, and Steve Fisk of Soo Line, Soo Line indicated that it is investigating leaving 12 car lengths of track in place and it appears to be a likely possibility. To implement this, Soo Line will be exploring a lease arrangement for this track with the Whitnall Summit Company, Avalon's landlord.

3. Dates: June 1, 2001 & October 2001

In its Petition for Exemption, Soo Line inadvertently stated that Avalon "no longer required service after June 1, 2001," when this was actually a reference to the cessation of "overhead" service on the Line proposed for abandonment. Overhead service was operationally stopped in June of 2001 and officially stopped in October 2001 by Bulletin Order. Soo Line's waybill records indicate that the last, and only, line haul revenue load in 2001 on the West Allis Line was one load of dry fertilizer. As Ms. Garland correctly pointed out, this service was not for Avalon.

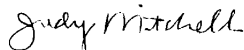
4. Potential Users

Soo Line's waybill records indicate that the West Allis Line, which is a redundant main line, has not been used for over two years as a through route. While we have received some service requests from a few potential customers, we were never able to reach agreement on the freight rates and they continue to use trucks.

We trust this clarifies any confusion. Further, we request that the Surface Transportation Board grant this Petition for Exemption, because Soo Line has met, and continues to meet, all the requirements for the proposed abandonment.

Very truly yours,

CANADIAN PACIFIC RAILWAY



Judy Mitchell

cc: Steve Fisk
Greg Haug
June L. S. Garland, Avalon Rail, Inc., President of Sales & Marketing
Carolyn V. Wolski, Esq.